

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 8134**  
**BILL NUMBER: SB 563**

**DATE PREPARED:** Jan 18, 2001  
**BILL AMENDED:**

**SUBJECT:** Residential Reassessments.

**FISCAL ANALYST:** Bob Sigalow  
**PHONE NUMBER:** 232-9859

**FUNDS AFFECTED:**      **GENERAL**  
                                 **DEDICATED**  
                                 **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** This bill allows a county to require newly subdivided land to be reassessed on a lot basis rather than an acreage basis when a certificate of occupancy or other approval is issued for a lot. It also allows a county to adopt an ordinance to impose an impact fee based upon the reassessment. The bill provides that the assessed value of the real property may not be considered for purposes of budgeting and computing maximum levies in the year of the reassessment.

**Effective Date:** January 1, 2002.

**Explanation of State Expenditures:** This bill would have no effect on state revenues or expenditures.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** Currently, when land that is assessed on an acreage basis is subdivided into lots, it must be reassessed. The lots may not be reassessed until the assessment date following a change in title.

For a county that imposes the impact fee on newly subdivided lots under this proposal, lots and improvements would be reassessed in the month following the issuance of a certificate of occupancy or other approval if such a certificate or approval is required in the county. The new valuation would not immediately be added to the tax base. Instead, it would be the basis of the amount charged by the county as an impact fee.

This bill allows a county to impose an impact fee on newly subdivided lots. The impact fee would be equal to the property's new assessed value multiplied by the tax rates of all of the taxing units that serve the property. The fee would be prorated to reflect the number of days left in the calendar year after the

certificate of occupancy or other approval is issued. The impact fee would be payable in two installments, by May 10 and November 10 of the following year. According to the bill, the impact fee would be in addition to any property tax levy.

The bill would not affect the timing of when the property's new assessed value is made a part of the tax base. It does, however, provide added fee revenue in the lag between the time that the certification of occupancy is issued and the assessment date when the valuation is added to the tax base. The actual fiscal impact depends on the number of counties that adopt the user fees and on the number and value of newly subdivided properties in those counties each year.

**State Agencies Affected:** State Board of Tax Commissioners.

**Local Agencies Affected:** County assessors; Township assessors; Civil taxing units and school corporations.

**Information Sources:**